

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0500-0614

Case Title:

Village of Crestwood, IL

Reporting Office:

Chicago, IL, Area Office

Subject of Report:

Contact with (b) (6), (b) (7)(C) on September 8, 2009

Activity Date:

September 8, 2009

Copies to:

Related Files:

Reporting Official and Date:

(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) SA

22-SEP-2009, Signed by: (b) (6), (b) (7)(C) SA

Approving Official and Date:

(b) (6), (b) (7)(C) , SAC

23-SEP-2009, Approved by: (b) (6), (b) (7)(C) , ASAC

SYNOPSIS

09/08/2009 - On September 8, 2009, SA (b) (6), (b) (7)(C) spoke with (b) (6), (b) (7)(C) of the Illinois DNR. (b) (6), (b) (7)(C) provided information regarding the LMO-2 forms that are required to be submitted to the DNR by communities that utilize Lake Michigan for drinking water.

DETAILS

On September 8, 2009, Special Agent (b) (6), (b) (7)(C) spoke via telephone with (b) (6), (b) (7)(C) Lake Michigan Programs Section Manager, for the Illinois Department of Natural Resources (b) (6), (b) (7)(C).

(b) (6), (b) (7)(C) stated that, with respect to the Annual Water Use Audit Form, also known as an LMO-2, any entity with a permit to utilize water from Lake Michigan must complete a form annually. The point of the forms is basically to determine how much water was used, and where the water ended up. The form is looking to determine if there is any unaccounted for flow in a system, which could indicate leaks in the piping. The form also helps to manage water allocations which are given to the different municipalities throughout the area.

With respect to Crestwood, following media reports that a well had been in use, the DNR went back and reviewed what Crestwood had been submitting on their LMO forms. It was discovered that they had not been reporting aquifer usage, or well usage. In April 2009, a request was sent by (b) (6), (b) (7)(C) to Crestwood, asking that they review previous LMO submissions, and correct them if necessary. Crestwood responded to the request by informing (b) (6), (b) (7)(C) that "the feds" had their records, and that they would not be able to comply with the request until their records had been returned.

(b) (6), (b) (7)(C) stated that the use of the well in conjunction with the use of Lake Michigan water would not alone have been a violation. However,

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unreported primary water use, such as a well, could effect the determination of unallocated water in a system. In other words, it would tend to misrepresent if a water system was loosing water.

(b) (6), (b) (7)(C) indicated that the acceptable limit for loss in a water system is eight percent. This definition is in the rules, and communities are aware of this rule. If communities are found to be loosing more than eight percent of their Lake Michigan water, they are required to submit a plan or program to return to compliance. This may range from implementing a leak detection program, to repairing small leaks, or repairing or replacing huge water main breaks. The purpose of this is to promote efficient use of Lake Michigan water, so that the water is not being bled off into the ground. (b) (6), (b) (7)(C) again stated that if a city was using a lot of water from a source such as a well and not reporting it, this would tend to understate water use, and misstate water loss in the community.

(b) (6), (b) (7)(C) indicated that water use from Lake Michigan is determined by a 1967 U.S. Supreme Court decree. The court has continuing jurisdiction in how the water is allocated to the state, and it's communities. This decree was last amended in 1980. The decree dealt with the State of Illinois and the Metropolitan Water Reclamation District diverting water from the Lake. As part of the decree, the DNR must make annual filings with the Court related to water use. (b) (6), (b) (7)(C) believes that the Army Corps of Engineers also has reporting requirements regarding Lake water use.

(b) (6), (b) (7)(C) does not believe that water use is included in the filing to the court.

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